REMARKS

The applicants have carefully considered the Office action dated May 18, 2010. By way of the forgoing amendments, claim 1 has been amended. Claims 6-10 are canceled without prejudice. No new subject matter has been added. Claim 1 is an independent claim.

In view of the foregoing amendments and the following remarks, reconsideration of the application is respectfully requested.

The Rejections under 35 U.S.C. § 112

Claims 1-5 stand rejected under 35 U.S.C. § 112 as being incomplete for allegedly omitting an essential step. The claim has been amended to recite that the method includes moving a heat source in a predetermined direction to transfer the transfer layer.

Claims 1-5 also stand rejected as being indefinite for use of the term "parallax information." Claim 1 has been amended to positively recite that the hologram or diffraction grating is formed in such a way that the visual effect caused by the interference pattern is obtained in only one direction. It is well known by one of ordinary skill in the art that the direction for obtaining a visual effect is the direction in which the diffraction grating can be view with the most brilliance. Accordingly, the direction of recorded information for enhancing the optical effect means the direction in which the visual effect caused by the formed interference pattern is obtained.

The foregoing amendments should eliminate any rejection under 35 U.S.C. §112 that may have been proper.

The Rejections under 35 U.S.C. § 102

Claims 1-2stand rejected as being anticipated by Tahara (US 5,744,219). It is respectfully submitted that amended claims 1-5 are allowable over this patent for at least the reasons set forth below.

As amended, independent claim 1 is directed to a method of transferring a thermal transfer sheet in which a hologram or a diffraction grating is formed, laminated on a base material in a thermal transfer sheet by heating the thermal transfer sheet at a moment of transfer. The method includes, *inter alia*, preparing the thermal transfer in such a way that a visual effect by an interference pattern thereof is obtained in only one direction, and moving a heat source in a predetermined direction to transfer the transfer layer. The predetermined direction of the heat source is the direction in which the visual effect is obtained. Tahara fails to describe the recited claim limitations.

In particular, in the direction in which heat is sequentially applied sequentially to the thermal transfer sheet by a thermal head (e.g., the "heating direction"), a concave-convex surface is not formed in the transferred hologram or diffraction grating (hereinafter the "hologram"), and desired visual effects can be obtained from the hologram. The present claims are constructed in such a way that the heating direction at the moment of transfer is set to the direction in which the visual effect by the interference pattern is obtained. Thereby, the interference pattern can be transferred with substantially little or no damage. Accordingly, the hologram can represent its visual effects with almost no degradation.

In sharp contrast, Tahara describes that "relief patterns may be…a parallel-line pattern parallel or vertical to the moving direction of the thermal had 37, or an optically formed relief hologram pattern." (*Tahara*, col. 14, ll. 61-64). The relief pattern mentioned, however, is

provided in the slipping layer 36, which is formed on the back surface of the substrate film 31 that comes into contact with the thermal head. (*Tahara*, col. 14, ll. 47-50). As the slipping layer 36 is layered in a side closer to the thermal head than the release layer 32 (FIG. 6), it is apparent that the slipping layer 36 is provided for making the thermal head move more smoothly. Therefore, it is apparent that the heating direction described in Tahara does not have a relation with keeping the visual effect of the transferred relief pattern.

Furthermore, the transfer foil of Tahara has the reflecting layer 34 having a relief pattern aside from the slipping layer 36. The reflecting layer 34 is apparently a layer to be transferred, in light of its position in relation to the release layer 32. Therefore, the transfer layer of the present claims corresponds to the reflecting layer 34. Tahara fails to describe the relation between the direction in which the visual effect by the relief pattern of the reflecting layer 36 is obtained, and further fails to teach the heating direction, that is, the moving direction of the thermal head. Thus, Tahara fails to describe the direction in which the visual effect by the interference pattern is obtained.

Accordingly, because a "claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987), it follows that Tahara cannot anticipate claim 1 or any claims dependent thereon. Thus, for at least the foregoing reasons, it is respectfully submitted that claim 1 and all claims dependent thereon are in condition for allowance.

Conclusion

Reconsideration of the application and allowance thereof are respectfully requested. If there is any matter that the examiner would like to discuss, the examiner is invited to contact the undersigned representative at the telephone number set forth below.

The Commissioner is hereby authorized to charge any deficiency in the amount enclosed or any additional fees that may be required during the pendency of this application to Deposit Account No. 12-0400.

Respectfully submitted,

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Dated: August 12, 2010

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